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Multimedia Hyperion Telecommunications, a partnership between Multimedia Cablevision and Hyperion Telecommunications, a subsidiary of Adelphia Cable, will enter the alternate access business in Wichita, Kansas in March 1994. Under a proposed agreement with TCI, Multimedia will extend the fiber optic network into nearby towns in a few years.

American Communication Services Inc. (ACSI) announced that it will build a competitive access network in Louisville, initially providing interstate special access services. Construction will start in March with initial service offered in June. ACSI was established to develop and operate competitive fiber networks in 15-20 cities throughout the South. ACSI has identified 63 potential target cities in the South--41 of them in the BellSouth region. Its Chairman and CEO is the co-founder and former President of Metropolitan Fiber Systems (MFS). The management team also includes other former executives of major CAPs. ACSI also has an application for right of way to construct a fiber network pending before the New Orleans City Council.

United Medical Network Corporation, MCI Business Markets, and PictureTel Corporation announced the creation of an independent visual communications network providing telemedicine solutions. This is an application of MCI's networkMCI initiative.

SP Telecom, a facility-based interexchange carrier, announced that it will acquire Qwest Communications, a Dallas-based interexchange carrier that operates a digital microwave network linking 32 major market areas (including Atlanta).

Bell Atlantic and TCI announced that they had terminated their merger negotiations, citing the FCC's action to further reduce cable rates, which made it impossible to reach agreement. Bell Atlantic and TCI were discussing other possible joint ventures. TCI suspended 50 percent of its planned capital spending in 1994, approximately \$500 million.

IntelCom Group (ICG) announced the acquisition of Louisville-based Mid-American Cable, a competitive access provider. ICG will expand the existing four mile network with 31 route miles of fiber within six months of completion of the transaction.

Teleport Communications Group announced the activation of fiber networks in eight new cities--Miami, Ft. Lauderdale, West Palm Beach, Hartford, Milwaukee, Phoenix, St. Louis, and Detroit. The Florida networks will be fully operational by mid year.

As part of its networkMCI initiative, MCI has formed an alliance with Nextel, Comcast, and Motorola to provide nationwide digital wireless services. MCI invested \$1.3 billion in Nextel matching Comcast's investment with the intention to accelerate the first nationwide offering of digital wireless voice and data communications services to consumers, businesses and government entities. The alliance will capitalize on Nextel's existing licenses and agreements covering

— ninety-five percent of the United States, Comcast's CATV and cellular expertise and Motorola's technology platform and subscriber equipment, along with MCI's marketing skills and intelligent network.

March 1994

— Entergy, through its purchase of Gulf State Utilities Co., plans to expand its fiber optic network in Gulf State's service area (Louisiana and Texas) and seek non-utility customers for the information capacity.

— Continental Cablevision and Performance Systems International joined to offer a broadband connection to Internet over CATV lines in the Boston area, targeting small businesses with high-bandwidth applications.

— MCI announced plans to conduct a local access trial with an independent telco in the Indianapolis area. MCI will buy switched access and local services from Hancock Rural Telephone Corporation, and resell those services as soon as it receives approval from the Indiana Utility Regulatory Commission to conduct the trial.

— TCI laid out its new strategy after collapse of merger with Bell Atlantic--equip all of its systems to provide residential telephony services by the end of next year, "Broadband America" joint venture with either AT&T or MCI, and joint venture with Microsoft to launch a CATV channel aimed at personal computer users.

— ACC TelEnterprises Ltd. announced the signing of a Letter of Intent providing for the merger of ACC Corp. and LDDS Communications. The merger will allow LDDS to participate in the long distance market in Canada, the United Kingdom, and the northeast United States.

— Craig McCaw, of McCaw Cellular, and Bill Gates, founder of Microsoft, have formed a new company called Teledesic. They plan to put 840 satellites in low orbit, forming the first digital, wireless network that could transmit voice, interactive video, and high speed data anywhere in the world, at an estimated cost of \$9 billion.

— Hyperion of Tennessee (Viacom Cable, InterMedia Partners, and Hyperion Telecommunications) started construction of 154-mile fiber network in Nashville to provide dedicated private line services to business and government users.

April 1994

— TCI is negotiating to purchase Viacom's CATV systems for about \$2.2 billion. Viacom would use the proceeds of the sale to reduce the debt incurred from its acquisition of Paramount. TCI could use Viacom's systems, in Nashville and other urban and suburban areas, to develop telephone networks in areas with larger populations than TCI's traditional rural customer base.

— As a result of a suit filed by BellSouth in December challenging the AT&T/McCaw merger, District Court Judge Harold Greene ruled that the merger would violate the consent decree that broke up the Bell System. Although Judge Greene denied AT&T's petition for a waiver because AT&T failed to meet the standard for decree modification, he left the door open for AT&T to file another waiver.

Southwestern Bell Corp. announced that it was terminating plans to form a partnership with Cox Cable Communications, citing the cash flow impact of "stringent government regulation." While expressing "disappointment at the lost promise" offered by the partnership, Cox said that it would reassess its capital spending and continue to scout out opportunities.

Time Warner announced that it filed a tariff with the FCC to enable eight affiliated companies to offer competitive local access services. The tariff allows the cable company's affiliates to compete directly with local telephone companies to connect long distance companies and end users through interstate special access and switched access transport services. New carriers are Ind. Digital Access, Charlotte (N.C.) AXS, MetroCom AXS of Columbus, Time Warner AXS of Northeast Ohio, Time Warner AXS of Western Ohio, Time Warner Communications of Austin, Time Warner Communications of Houston, and Time Warner Communications of Hawaii. Ind. Digital and MetroCom have been offering interstate access service under previously existing tariffs.

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